

	5/10/14	1/1/15	5/4/15	1/7/15	5/10/15	1/1/16	5/4/16	1/7/16	5/10/16
FTSE 100	6528	6566	6834	6609	6299	6242	6091	6504	7033
FTSE All Share	3486	3533	3696	3616	3457	3444	3351	3515	3827
Dow Jones (US)	17010	17823	17763	17758	16776	17425	17603	17930	18281
S&P 500 (US)	1968	2059	2067	2077	1987	2044	2045	2099	2160
Nikkei 225 (Japan)	15709	17451	19435	20329	18005	19034	15733	15576	16819
WMA Balanced	3441	3549	3703	3582	3497	3531	3538	3721	3964

### Growth Equities

Babcock Int.  
Carnival  
Diageo  
Experian  
Micro Focus  
Mondi  
Prudential  
Reckitt Benckiser  
Shire  
Unilever

### Higher Yield Equities

AstraZeneca  
BP  
HSBC  
Imperial Brands  
ITV  
National Grid  
Rio Tinto  
Schroders  
Sky  
Vodafone

### Mid-Cap Equities

Beazley  
DS Smith  
Hill & Smith  
NCC Group  
NewRiver REIT  
Paysafe  
Pennon  
Saga  
SSP Group

### Overseas Equities

Amadeus  
Becton Dickinson  
Colgate-Palmolive  
Estée Lauder  
Johnson & Johnson  
Kimberly-Clark  
Nestlé  
Novartis  
Philip Morris  
Schindler

### Collective Investments

Bankers IT  
Caledonia IT  
Finsbury Growth & Income IT  
Henderson Intl Income Trust  
Monks IT  
Murray International IT  
Pacific Assets Trust  
Perpetual Income & Growth Tst  
RIT Capital Partners IT  
Schroder Oriental Income IT

## You couldn't make it up

### Introduction

Having just returned from a fact-finding tour of the USA (actually holiday), William Barratt (WJB) and I had always agreed that this newsletter would be a joint effort, with me preparing the early bones and WJB adding the meat later and compiling the final newsletter.

You could not make up the events that have occurred over the last three months:

My holiday in the USA: where I experienced the embarrassment of America listening to the first Presidential Debate (in a hotel in New York), followed by the humiliation of the Ryder Cup (sitting in the Secession Golf Club in South Carolina) and then the evacuation from the St. Simons Islands (Georgia) to Atlanta due to Hurricane Matthew.

UK Politics: the appointment of a new Prime Minister and the restoration of the Conservative Party, as all other opposition parties have gone on an orgy of self-destruction whilst Brexit negotiations will not even start until 2017.

Economic phenomena: The FTSE100 near an all-time high at 7033, Sterling at a 31 year low of 1.27 to the US Dollar and the UK bank base rate at a 300 year low of 0.25%.

Between WJB and CWLB we have attempted in this newsletter to make 'sanity out of insanity', with a chronological history of facts whilst seeking to make a very complicated situation readable, intelligible and yet with a 'pinch of salt' to give some humour to a very serious situation.

### Brexit means Brexit - the immediate aftermath

In the 1960's Harold Wilson was quoted as saying "A week in politics is a very long time", recently this has become apparent and indeed even a day can see extraordinary change:

1. Results day - 24<sup>th</sup> June.
  - a. 24<sup>th</sup> June (4:40 a.m.) David Dimbleby announced on the BBC, that 'British institution', that:

“Britain has voted to leave the EU”

In the July newsletter, CWLB referred to The Scottish Mirror’s headline:

‘What the hell happens next’

You may well ask:

- b. 24<sup>th</sup> June (8:08 a.m.) Shock shuddered through the stockmarket causing the FTSE 100 to plummet 550 points and Sterling to tumble against global currencies (12% versus the US\$).
- c. 24<sup>th</sup> June (8:15 a.m.) David Cameron tendered his resignation with a deadline of leaving office by the time of the Conservative party conference.
- d. 24<sup>th</sup> June (16:30 p.m.) The stockmarket rallied to close the day down just 199 points (3.1%) as investors realised that whilst companies highly reliant on the UK economy would come under pressure, those with international earnings would benefit from the weak pound.

Meanwhile - Farage claimed victory (with all the grace of a US spectator in the Ryder cup). Boris another ‘victor’ did not show his ‘Boristorous’ self, in fact he was almost silent. Gove simply pointed out the “bleedin’ obvious” (as Sir Alan Sugar would say in The Apprentice) stating that “The UK is embarking on a new chapter” and Osborne slid away, mute. What were they all plotting? Was it:

- Answers to uncomfortable questions like when would the NHS get their £350m per week?
- Did they still have a role in Government?
- How could they get their hands on the ‘Premiership’ of their country?

## 2. 24<sup>th</sup> June - 13<sup>th</sup> July Tory leadership race

With David Cameron’s position untenable it was apparent that he was not going to be able to demonstrate leadership in the interim, as he couldn’t start what he wasn’t going to finish. So the Tory party moved quickly and 5 candidates were nominated to take his place at the helm.

The ante post favourite: Boris didn’t even make it to the starting stalls, having been stabbed in the back by Gove and so Conservative MP’s were left with the options of:

Crabb (who voted: In), Fox (Out), Gove (Out), Leadsom (Out), May (In)

Crabb ‘scuttled’ off sideways before votes were cast, Fox was soon eliminated, closely followed by Gove who clearly had lost all credibility. This left a race between political heavyweight Theresa May (Home Secretary) and Andrea Leadsom (an MP for just 6 years and Cabinet Minister for 1). Leadsom showed her political naivety with an appalling remark about her being a mother, which effectively ended her race.

Finally, despite Ken Clarke referring to Theresa May as ‘a difficult woman’, Great Britain had a bit of good news: the most sensible, credible, experienced and reasoned politician had won the right from her peers to guide Great Britain through the choppy waters ahead. Thank goodness the Tory party elect their leaders through MPs (rather than the members) and given the task ahead being a ‘difficult woman’ might prove to be a good thing.

Theresa May: elegant, well dressed and respected, played with a totally straight bat both before and after the Brexit Vote. She has proven herself to be the people’s champion and on Wednesday 13<sup>th</sup> July, neatly curtseying in front of Her Majesty the Queen, accepted the Monarch’s authority to form a new Conservative Government.

### 3. SNP - 24<sup>th</sup> June – and forevermore?

Politicians can never let the dust settle and Nicola Sturgeon thought she would bite whilst wounds in the Tory flesh were still raw. Before many had even got out of their pyjamas the SNP were already calling for another Scottish Independence referendum. Scotland had voted 68% to remain in the EU and argued that the UK opting to leave meant that many of their voters had been misled in the Independence vote. We understand that this is a pressing issue for the people of Scotland, but wonder whether she could have shown a little more tact with her timing.

### 4. UKIP - Farage 28<sup>th</sup> June and 4<sup>th</sup> July + 5<sup>th</sup> October - a date with the European parliament followed by resignations x 2

After 17 years of visits to Brussels and returning with negative answers Farage finally had victory and was not going to miss his opportunity. Indeed you could say that having lost many battles he had certainly won the war. He was delighted to tell each of the MEPs that none of them had a proper job anyway! Whilst UKIP now exists to ensure Brexit takes place we are unsure as to what their manifesto in the future will be. Indeed, as this newsletter goes to print their new leader, Diane James, has quit after only 18 days in the job. However, never take it away from Farage as it can honestly be said that he is one of the few individuals who has changed the course of UK history single handedly.

### 5. Labour Party debacle 24<sup>th</sup> June – 24<sup>th</sup> September

Did Corbyn want to 'remain' - well that is what he said, but let's just say he was hardly helping Cameron over the line as Alistair Brownlee did his brother. His lack of conviction had rumbled up fears amongst his party and anarchy was soon to ensue, indeed what was about to happen to the Labour party made the Conservative team, who dealt with a grave situation in a swift and dignified manner, look clinical.

Unrest within the Labour party resulted in a large number of resignations and sackings (Hilary Benn) as MP's became vocal over their concerns of Corbyn's leadership. This was not the first time he had had to defend his position as leader of the opposition. On 28<sup>th</sup> June a vote of 'no confidence' in his leadership was passed by a landslide 172 votes to 40, yet still he wouldn't budge, arguing that as he was elected by the members (Labour electorate) rather than MPs, it was an 'unconstitutional vote' and he would be betraying the party.

The gauntlet for another leadership election was thrown down first by Angela Eagle then Owen Smith (a Welsh Socialist), but again it would be the members who would decide. Let's not forget that it was these members (with the Unions holding heavy influence) that elected Ed Miliband over his brother David whom many saw as a much greater threat to the Conservatives. Corbyn won by 'knock out' with 61.8% of the vote strengthening his share from the previous year (59.5%).

It has been said in the past that to be a strong and decisive Government you need a powerful and credible opposition to challenge you and hold you accountable. Arguably Corbyn, with his gravity defying stance, is doing more to destroy the Labour party than Michael Foot. The lack of unity in the Labour party, with heavyweights having resigned or being ousted at the previous general election (perhaps to dance on the 'Strictly stage') coupled with the general feeling of betrayal and lack of trust, mean the opposition in its current state looks weak at best.

### 6. Liberal Democrats 24<sup>th</sup> June - 5<sup>th</sup> October – The silence is deafening

Not a squeak - who is their leader?

## Theresa May forms her cabinet

Theresa May said goodbye to some of the old guard: (Osborne, Gove and Morgan) and started afresh with:

	Philip Hammond	Chancellor of the Exchequer
	David Davis	Brexit negotiations
	Amber Rudd	Home Secretary
our own	Liz Truss (South West Norfolk)	Justice Secretary

Whilst those with whom she tussled in the leadership campaign were rewarded with: Energy Secretary (Andrea Leadsom) and Trade Secretary (Liam Fox).

Clearly her bravest decision was to appoint:

Boris Johnson	Foreign Secretary
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Giving Boris high office is rather like a Headmaster making the most disruptive boy in the school a prefect, where he joins his side. Or as President Lyndon Johnson famously said:

“I’d rather have him inside the tent pissing out, than outside pissing in”.

David Cameron has of course decided to step down as an MP, to take time out to write his memoirs and beat Tony Blair’s £4.6m fees, although given the scathing attack Blair received in the Chilcot report (see below) there is probably less interest in the ‘Cameron years’. CWLB is determined to get his book out first.

We believe Theresa May is the right person for the job, and we believe she has chosen the right cabinet to do it. She has even managed to make Mrs Merkel and Mr Hollande smile. She has been given time which we believe she will use and Great Britain shall survive ...

## The Bank of England

Along with Theresa May the other hero in the recent mayhem has been Mark Carney. We have in the past written of the fact that the UK, unlike our Continental cousins, do at least have control over our own monetary policy. Carney with his voice of reason has calmed fears and put in place a plan to help alleviate many of the pressures on British businesses. He has lowered interest rates to 0.25% with talk of 0.1% and he has also released additional quantitative easing.

He has of course also been helped by the considerable weakness in Sterling as it benefits UK based manufacturing companies which export, hence increasing GDP. The currency slide is also positive for UK listed companies which sell their brands across the globe, although we are also aware this is likely to put upward pressure on inflation, hence our preference for index-linked gilts over conventionals.

## Article 50

Article 50 of the Lisbon treaty has been described as a legal process to leave the EU, but it has never been used and is pretty vague. It is a 5 point plan that a country wishing to leave must negotiate with the remaining 27 members, which ultimately has to be approved by them to ‘escape’. The process of working out an exit is meant to be completed within 2 years, but will probably take a lot longer. Theresa May has said that Article 50 will be triggered by the end of March 2017 meaning that by the Spring of 2019, as Altior wins the Cheltenham Gold cup, we should be ‘out’. That said there have been murmurings of a 10 year wait, we certainly do not envy David Davis’ task.

It should be noted that once Article 50 is triggered the UK will not have a place at the European parliamentary table but we will continue to do business with the EU without barriers, but after 2 years it will become more complex.

### The Stockmarket and the TINA effect

T I N A

TINA: **There is no alternative** (to equities)

TINA refers to the fact that, for investors to generate an income, there are now no (or at least increasingly few) alternatives to equity investment. After all, equities don't just offer relatively attractive yields 'now', but they also offer the scope for growing dividends into the future (and indeed special dividends). This offers significant attraction compared with the alternative options such as 'locking in' to fixed, negligible returns on a gilt, bond or fixed term deposit. Therefore, investors' hands are increasingly steered toward equities for income returns, providing an added fillip to stockmarket performance.

To put TINA in further context, let us consider some other asset classes available to investors:

1. Cash - with the Bank of England reducing the bank base rate to 0.25% and the prospect that it could go to 0.1% interest payments are stagnant and in real terms, with inflation at 1.8% (RPI), the real value of your 'nest egg' is falling.
2. Gilts - The knock on effect of such low interest rates is the 10 year gilt yield falling as low as 0.6%.
3. Bonds - Corporate debt tends to move with Treasury stock, paying a marginally higher rate of return given the perceived additional risk. Whilst bonds have gone up significantly in capital terms the yields are low which means that when a bond matures it is difficult to find an attractive rate of interest to replace investments made 5+ years ago.
4. Property - Given the capital performance in recent years of both residential and commercial property, rents are becoming squeezed, putting yields under pressure. We often revert to the formula that your home should be valued at 4-5 times your salary, plenty in London would be closer to 10 times if not higher.

So why do certain UK equities still look attractive with the FTSE 100 reaching very close to all-time highs and above 7000 points:

- a. With Sterling having fallen from US\$1.50 on the eve of the referendum to the present level of US\$1.27 UK exports have suddenly found a new lease of life, as proven by recent trade figures.
- b. The fall in Sterling has also made UK company valuations look cheaper to overseas investors; hence the reinvigoration of corporate activity where we have recently seen ARM being taken over by Japan's Softbank and ABInbev's pending acquisition of SAB. We believe this is just the start of M&A activity as foreigners pick up quality UK companies on currency weakness.
- c. Dividends and profits have generally continued to rise, largely helped by 'special dividends' being declared.
- d. In addition the Bank of England is putting a further £60bn into the UK economy through quantitative easing.

There is no doubt that the UK economy is proving to be one of the most efficient, successful economies in the western world and we believe the British nation has had that 'fillip' creating that 'feel good factor', against all the odds of the doom and gloom predicted by Osborne and Cameron. On the face of it, a rise in the FTSE100 from the nadir of 5788 (8:08 a.m. on 24<sup>th</sup> June) to 7033 today is quite unbelievable but when you look at each factor outlined above, there is sense in it.

TINA 'There is no alternative' (to equities) is an extremely dangerous and quite frankly pretty stupid remark but we acknowledge there are few alternatives to invest for a good level of income elsewhere.

### **Barratt and Cooke investment policy**

We have written recently about being proactive rather than reactive. We have also written with regard to introducing a more diverse range of investments to aid portfolios in their quest for income and/or growth with the addition of: Gold, infrastructure and more international equities.

We continue to look for opportunities trying to ensure that we do not invest for income at any price (yield traps). Indeed, portfolios with a yield of 3.5% (with base rate at 0.25%) are receiving a very good income, even if they might have earned 5% in the past (this was when the base rate was 5%).

We remain wary of holdings dependent on the UK consumer (domestic holdings), preferring to focus on international brands and though our positions in index linked gilts might have created a small degree of lag in recent times they provide good ballast should equities slide. Indeed, we are in fact looking to go a little longer dated to ensure that this buoyancy remains intact for the medium term at least.

We do of course keep an eye on the FTSE 'number' but we feel this is increasingly becoming a stock picking world (but there is a price for everything).

### **Corporate actions**

Over the past 3 months there have been:

Takeovers:

Home Retail Group (Argos) by Sainsbury  
Rexam by Ball Corporation  
ARM Holdings by Japanese Corporation Softbank  
SABMiller by ABInbev

Other corporate actions:

UBM consolidation - 8 new for every 9 held and 55.3p special dividend

### **IHT Portfolio**

It is becoming apparent that there is an increasing appetite for Inheritance tax (IHT) mitigation. We acknowledge that a potential tax charge of 40% over and above various allowances can be incredibly penal on Estates. There are various schemes to reduce IHT such as: gifting assets and living for 7 years (with a 4 year taper), purchasing EIS Schemes (Enterprise Investment Schemes), creating Family Trusts as well as purchasing a portfolio of equities which offer 'business property relief' (BPR).

We have had a number of enquiries about (BPR) or AIM and unlisted portfolios to help generational planning. Given the risks associated with such smaller company investments, we would deem many of these requests suitable, but equally plenty are inappropriate on a suitability basis. We have however started an IHT portfolio service where clients who can afford to take on the risk can invest between £100,000 and £500,000 in a separate higher risk portfolio comprised of smaller companies eligible for BPR, where performance could be volatile but the tax saving significant. One of the major benefits of such an IHT portfolio is that the client retains ownership of the investments, so if they survive many years they still have assets on which they can call, which isn't necessarily the case having gifted or locked in to trusts.

This is a service we are only offering to Barratt and Cooke clients and we are comfortable allocating 25% of any suitable overall portfolio to the scheme. In order to qualify for the tax saving the client needs to hold the investments for at least 2 years (although they can be rolled over) and we would always encourage the individual to seek advice from an accountant, financial advisor or solicitor who knows their overall financial situation to check the appropriateness. Should you want further details please contact your advisor.

### In conclusion

Often our newsletters are laden with sporting references. This one, given its length, has dodged most analogies, indeed the Olympics where Great Britain proved unstoppable, finishing 2<sup>nd</sup> to the USA and ahead of China in the medal table (perhaps a message of things to come), have escaped mention. Please forgive the fact that this piece is 'long on politics' and 'short on finance' as bizarrely there is less to write about when the stockmarket has risen to over 7000 points.

That said 'a week in politics is a long time' and we have just witnessed 3 months of mayhem on both sides of the pond.

Possibly reflective of the UK demographic WJB was always 100% 'REMAIN' whilst CWLB was a genuine 'floating voter' (like many of his friends) until he was 'conned' by the scaremongering of David Cameron and George Osborne a fortnight before his trip to the ballot box vote. He then became passionately 'IN' for reasons revolving around: the young of Britain, stockmarkets and our clients, farming and struggles without subsidies amongst other humanitarian issues.

However both of us (to different extents) feel a small degree of elation and indeed excitement at what the Leave decision means. The Great British public took a bold move to vote 'blind' to get 'OUT', but God knows what agreement we have signed up to - they haven't even started negotiating it yet! Clearly so many of our number are fed up with European bureaucracy and whilst red tape will not disappear (there may be more of it but that is a debate for another time), at least we won't be dictated to by Brussels. The appointment of May and guidance of Carney give us a degree of faith that 'TEAM GB' might just make a success of the situation.

As two of CWLB's great mentors have said to him recently:

'Interesting times' and 'You couldn't make it up, you couldn't make it up'

Only time will tell us what 'Brexit' really means.

**WJB and CWLB**  
**5/10/16**

Post Script (on CWLB's return from the USA)

### **The US Presidential Election**

Having toured the east coast of the USA from New England, Boston, New York, Charleston and Savannah before finally being evacuated from the St. Simons Islands (Georgia) due to Hurricane Matthew, it will not surprise readers to know that I carried out a straw-poll regarding the US Presidential Election.

This poll covered taxi drivers to CEOs and a few facts will always stick in my mind. The first and foremost being how welcoming and well-mannered all Americans were down the east coast, particularly in New York where previous Mayor Rudy Giuliani changed the culture of a city from gun crime to helping senior citizens (me) on the subway.

This change in culture has never been more apparent than in the present Presidential debate, where Americans universally feel genuinely embarrassed and let down by the two nominees.

Hillary Clinton (Democrat) whom they consider a crook  
Donald Trump (Republican) whom they consider a disgrace – enough said!

There is no doubt that Donald Trump will win the dyed in the wool Republican vote of big business, lower taxes and the Farage factor, but I also feel that Hillary Clinton will become President of the USA on the 'lesser of two evils' vote.

How genuinely sad for a great country – 'you couldn't make it up'.

At the same time it was fun being in the USA during the Ryder Cup with the good hearted rivalry and banter from both sides, despite some over enthusiasm! One has to be a good sport and applaud Patrick Reed's famous victory over Rory.

### **The Chilcot Report (for the record)**

Though the Chilcot Report really has nothing to do with this newsletter, it is in fact pivotal to the conclusion of my book:

A History of our Time through Different Eyes

Many of my early chapters covered 'The Blair Years' and lest the Chilcot Report is lost in the annals of history, I feel it essential to include the findings here, if only for the record.

Whilst writing the book I reflected on 'The Blair Years', where a fresh faced charming young man changed the face of politics to welcome in the Millennium. Right wing Thatcherism, and the 'Looney Left' had been thrown out and New Labour was created, a party of champagne socialism, whose leader could 'walk on water'.

To my mind, Blair's two greatest achievements were: Peace in Northern Ireland, which still holds true today and banning smoking in public places, for which we can all be extremely grateful. His spin doctors enjoyed the champagne socialism of the dot.com boom whilst he had the audacity to say that his Chancellor, Gordon Brown 'had saved the world' in the 2008 Banking Crisis.

In point of fact he and Brown had tried to destroy The House of Lords, the pensions industry and at the end of the day 'left the treasury cupboard bare'.



However as we all know his gravest error of judgment was the decision to take us to war with Iraq.

We have waited 7 long years for The Chilcot Report into the Iraq War to be published. The conclusion was a damning indictment of Tony Blair and President George Bush Jnr.

In the report published on 6<sup>th</sup> July 2016 it found:

1. There were no weapons of mass destruction.
2. The 'Intelligence' was wrong, and should have been more carefully checked before going to war. Shortly before the declaration of war, Dr Blix, the UN Inspector, had stated quite clearly that he 'had not found any smoking guns that could justify War'. 'But, give him time, and if they were any, he would find them'. He never did.
3. Blair was besotted to 'stand shoulder to shoulder' with the gung-ho Bush, particularly shortly after 9/11. 8 months before Parliament voted to go to war, Blair had stated to Bush:

'We shall support the US whatever'.

And was therefore committed to 'whatever' decision Bush made.

4. Blair still had the capability of questioning Bush's intelligence about weapons of mass destruction which could be deployed within 45 minutes, but he never did.
5. Saddam Hussein posed 'no imminent threat' to the UK and could have been 'contained through UN inspectors and monitoring'.
6. British soldiers were sent to war badly equipped, particularly after the conflict in Afghanistan.
7. There were no plans of what should happen after a military victory, where the core objective was to topple Saddam Hussein. The aftermath of war turned out to be a humiliating disgrace.
8. Indeed the full responsibility of a decision to go into an unnecessary war lies firmly at the feet of Tony Blair and President Bush.

At the time, the nation backed Tony Blair, when it was announced

'Weapons of mass destruction could be deployed in 45 minutes'

as I did – but it was this one phrase that swayed a nation, and it was wrong.

*My conclusion will be in the book, which I hope will be published early in the New Year – CWLB.*

**October 2016**  
**Equity Suggestions**

		<u>Price</u>		<u>52 Week</u>	
		<u>05/10/16</u>	<u>Yield</u>	<u>High</u>	<u>Low</u>
<b><u>FTSE 100 COMPANIES</u></b>					
BANKS	HSBC Holdings PLC Ordinary Shares	601p	6.7%	605p	414p
BEVERAGES	Diageo PLC Ordinary Shares	2221p	2.7%	2287p	1725p
CHEMICALS	Croda International PLC Ordinary Shares	3558p	2.0%	3668p	2637p
	Johnson Matthey PLC Ordinary Shares	3464p	2.1%	3485p	2215p
FINANCIAL SERVICES	Schroders PLC Ordinary Shares	2823p	3.1%	3067p	1960p
FOOD PRODUCERS	Unilever PLC Ordinary Shares	3689p	2.7%	3789p	2715p
FORESTRY & PAPER	Mondi PLC Ordinary Shares	1661p	2.8%	1702p	1108p
HOUSEHOLD PRODUCTS	Reckitt Benckiser PLC Ordinary Shares	7237p	2.0%	7786p	5840p
LIFE INSURANCE	Prudential PLC Ordinary Shares	1428p	2.8%	1567p	1077p
MEDIA	Sky PLC Ordinary Shares	913p	3.7%	1134p	770p
	ITV PLC Ordinary Shares	184p	3.9%	267p	141p
MINING	BHP Billiton PLC Ordinary Shares	1204p	1.8%	1217p	572p
	Rio Tinto PLC Ordinary Shares	2641p	4.1%	2686p	1557p
OIL & GAS	BP PLC Ordinary Shares	472p	6.7%	475p	309p
	Royal Dutch Shell B PLC Ordinary Shares	2125p	6.9%	2158p	1262p
PHARMACEUTICAL	AstraZeneca PLC Ordinary Shares	5042p	4.0%	5505p	3680p
	Shire PLC Ordinary Shares	5066p	0.4%	5377p	3423p
SUPPORT SERVICES	Babcock Intl Group PLC Ordinary Shares	1043p	2.5%	1112p	780p
TECHNOLOGY	Micro Focus International PLC Ordinary Shrs	2233p	2.2%	2400p	1155p
TELECOMMUNICATIONS	Vodafone Group PLC Ordinary Shares	225p	5.1%	240p	198p
TOBACCO	Imperial Brands Group PLC Ordinary Shares	3953p	3.7%	4154p	3367p
TRAVEL & LEISURE	Carnival PLC Ordinary Shares	3785p	2.9%	3951p	2917p
UTILITIES	National Grid PLC Ordinary Shares	1079p	4.0%	1148p	891p
<b><u>FTSE 250 COMPANIES</u></b>					
HOME CONSTRUCTION	Galliford Try PLC Ordinary Shares	1367p	6.0%	1619p	741p
INDUSTRIALS	DS Smith PLC Ordinary Shares	392p	3.3%	431p	329p
	Hill & Smith Holdings PLC Ordinary Shares	1187p	1.9%	1245p	636p
INSURANCE	Beazley PLC Ordinary Shares	394p	2.6%	413p	314p
	Saga PLC Ordinary Shares	214p	3.6%	227p	171p
REAL ESTATE	NewRiver REIT PLC Ordinary Shares	331p	5.9%	362p	269p
	Shaftesbury PLC Ordinary Shares	970p	1.5%	1008p	650p
TECHNOLOGY	NCC Group PLC Ordinary Shares	353p	1.3%	377p	226p
	Paysafe PLC Ordinary Shares	456p	-	471p	280p
TRAVEL & LEISURE	SSP Group PLC Ordinary Shares	321p	1.5%	340p	260p
UTILITIES	Pennon Group PLC Ordinary Shares	865p	3.9%	958p	763p
<b><u>OVERSEAS COMPANIES<sup>#</sup></u></b>					
FOOD PRODUCERS	Nestlé SA Registered Shares	6140p	3.0%	6374p	4790p
HEALTHCARE PRODUCTS	Becton Dickinson Common Stock	13943p	1.5%	14354p	8784p
	CR Bard Common Stock	17472p	0.5%	18437p	11671p
	Johnson & Johnson Common Stock	9407p	2.7%	9548p	6116p
PERSONAL GOODS	Colgate-Palmolive Common Stock	5760p	2.1%	5803p	4246p
	Estée Lauder Companies Common Stock	6942p	1.4%	7239p	5209p
	Kimberly-Clark Common Stock	9679p	2.7%	10568p	7422p
INDUSTRIALS	Schindler Holding CHF Registered Shares	14869p	1.5%	15638p	9730p
OIL & GAS	ConocoPhillips Common Stock	3466p	2.3%	3709p	2205p
PHARMACEUTICALS	Novartis CHF Registered Shares	6212p	3.5%	6410p	4946p
TECHNOLOGY	Amadeus IT Group SA Common Stock	3927p	1.6%	3949p	2552p
TOBACCO	Philip Morris Intl. Common Stock	7552p	4.4%	7972p	5466p
<b><u>NON EQUITY</u></b>					
COMMODITIES	Gold Bullion Securities	9447p	-	10138p	6683p

# Dividends on overseas holdings will be subject to withholding tax at the local rate.

## Investment Trust & Unit Trust/OEIC Suggestions

		Price	Yield	52 Week		Discount to NAV*
		05/10/16		High	Low	
UK	City of London I/T	412p	3.9%	420p	339p	(1.2%)
	Diverse Income Trust	90p	3.1%	98p	73p	0.1%
	Finsbury Growth & Income Trust	674p	2.0%	684p	521p	(0.6%)
	Perpetual Inc & Growth I/T	383p	3.4%	422p	330p	6.6%
	Schroder UK Mid Cap I/T	443p	2.1%	500p	357p	17.7%
GLOBAL	Bankers I/T	675p	2.4%	695p	522p	7.0%
	Caledonia Investment Trust	2451p	2.1%	2531p	2055p	20.2%
	Fundsmith Equity Fund	278p	0.5%	279p	199p	-
	Henderson Intl. Income Trust	145p	3.1%	147p	104p	(0.3%)
	JP Morgan American I/T	338p	1.4%	344p	244p	3.9%
	Jupiter European Opportunities Tst	573p	1.0%	600p	463p	7.7%
	Monks Investment Trust	523p	0.3%	536p	361p	10.4%
	Murray International I/T	1158p	4.1%	1195p	741p	(4.2%)
	Odey Allegra Developed Mkts Fund	15718p	-	16250p	11741p	-
	RIT Capital Partners Trust	1770p	1.8%	1854p	1511p	(3.7%)
	EMERGING MARKETS	Fundsmith Emerging Equities Trust	1140p	-	1194p	820p
JP Morgan Emerging Markets I/T		718p	1.2%	737p	478p	13.8%
Pacific Assets Trust		234p	0.9%	242p	176p	3.8%
Schroder Oriental Income Trust		238p	3.4%	241p	159p	(2.1%)
INFRASTRUCTURE	HICL Infrastructure Fund	174p	4.4%	186p	150p	(12.0%)
	John Laing Infrastructure Fund	129p	5.3%	141p	113p	(12.5%)
FRONTIER MARKETS	BlackRock Frontiers I/T	132p	3.4%	139p	93p	(1.2%)
HEALTHCARE	Worldwide Healthcare Trust	2165p	0.8%	2208p	1548p	4.2%
PRIVATE EQUITY	Pantheon International I/T	1630p	-	1690p	1175p	23.7%
TECHNOLOGY	Polar Capital Technology Trust	801p	-	835p	504p	2.8%
ENVIRONMENTAL	Impax Environmental Markets I/T	210p	0.7%	214p	141p	12.8%

\* () = premium

## Fixed Interest Suggestions

	Price 05/10/16	Gross Interest Yield	Gross Redemption Yield	Payment Dates	Redemption Date
<b>INDEX-LINKED GILTS</b>					
Treasury 0.125% Index Linked 2024	130.1 <sup>#</sup>	0.1%	0.7%*	Mar/Sep	22 Mar 2024
Treasury 0.125% Index Linked 2026	126.2 <sup>#</sup>	0.1%	0.8%*	Mar/Sep	22 Mar 2026
<b>INDEX-LINKED CORPORATE BONDS</b>					
National Grid 1.25% Index Linked 2021	120.0	1.2%	2.9%*	Apr/Oct	06 Oct 2021
Severn Trent 1.3% Index Linked 2022	120.9	1.2%	2.4%*	Jan/Jul	11 Jul 2022
<b>BOND FUND</b>					
Fidelity Moneybuilder Income Fund	127.9	3.3%	-		

\* Equivalent Gross Redemption Yield for Index Linked Gilts/Bonds assuming that future RPI inflation averages 3.0% to redemption.

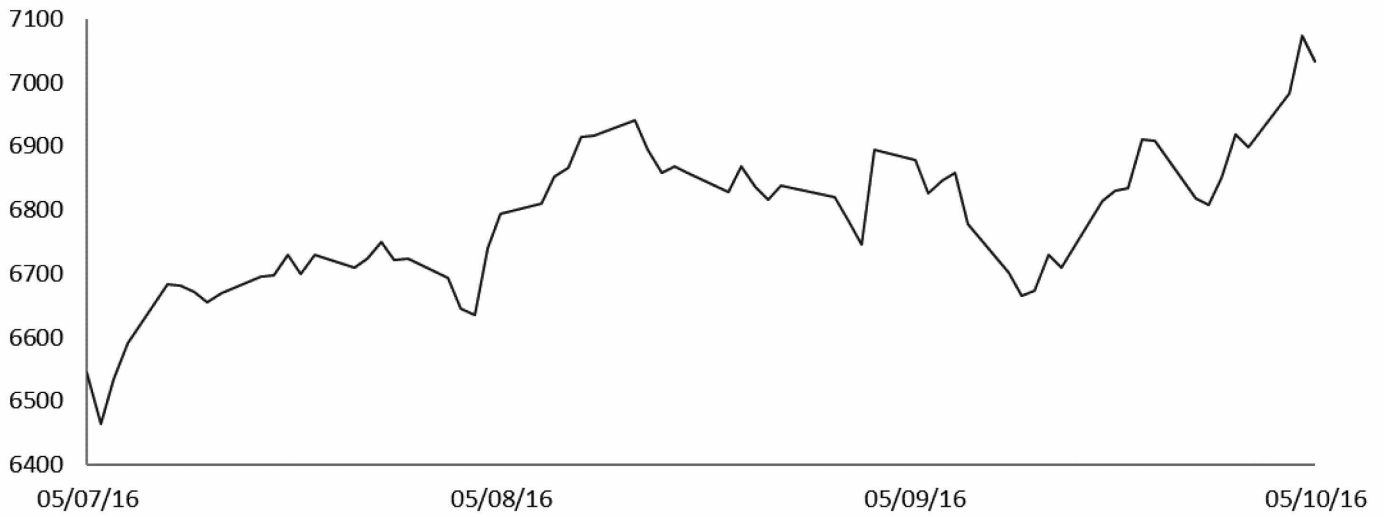
<sup>#</sup> Price adjusted for inflation (where the published price may be significantly different as it does not include accrued inflation).

All yields are estimated and not guaranteed.

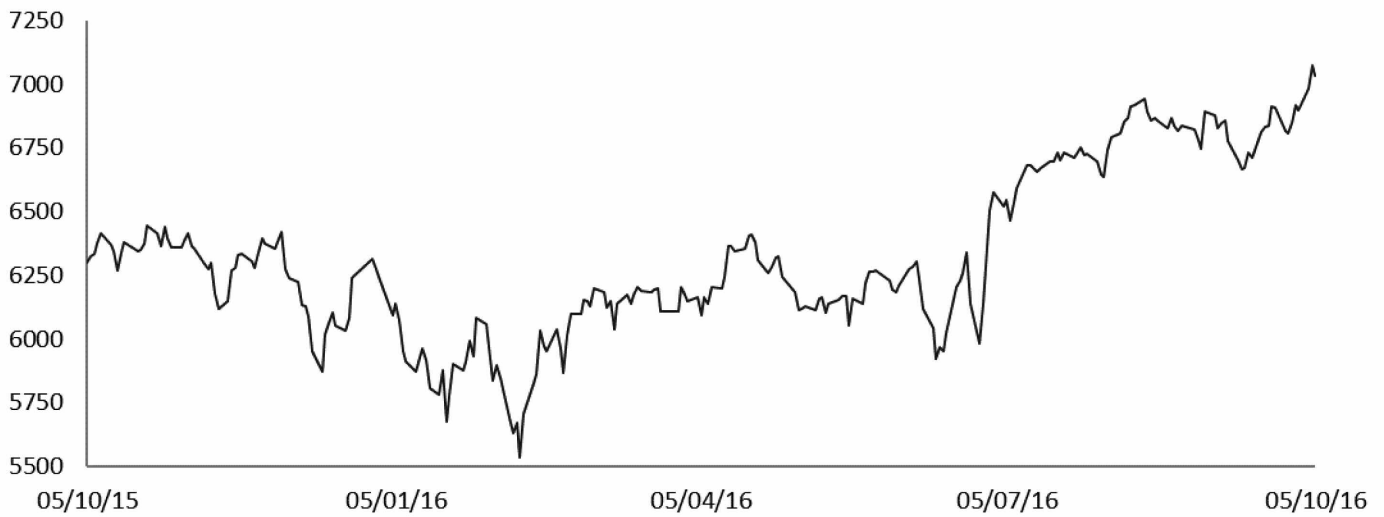
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### **FTSE 100 – Previous Quarter**



### **FTSE 100 – 1 Year**



### **FTSE 100 – 5 Year**

